

111TH CONGRESS  
1ST SESSION

# H. R. 2623

To amend the Federal securities laws to clarify and expand the definition of certain persons under those laws.

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IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2009

Mr. MCCARTHY of California introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Federal securities laws to clarify and expand the definition of certain persons under those laws.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. FORMERLY ASSOCIATED PERSONS.**

4       (a) MEMBER OR EMPLOYEE OF THE MUNICIPAL SE-  
5       CURITIES RULEMAKING BOARD.—Section 15B(c)(8) of  
6       the Securities Exchange Act of 1934 (15 U.S.C. 78o–  
7       4(c)(8)) is amended by striking “any member or em-  
8       ployee” and inserting “any person who is, or at the time  
9       of the alleged misconduct was, a member or employee”.

1 (b) PERSON ASSOCIATED WITH A GOVERNMENT SE-  
2 CURITIES BROKER OR DEALER.—Section 15C of the Se-  
3 curities Exchange Act of 1934 (15 U.S.C. 78o–5) is  
4 amended—

5 (1) in subsection (c)(1)(C), by striking “or  
6 seeking to become associated,” and inserting “seek-  
7 ing to become associated, or, at the time of the al-  
8 leged misconduct, associated or seeking to become  
9 associated”;

10 (2) in subsection (c)(2)(A), by inserting “, seek-  
11 ing to become associated, or, at the time of the al-  
12 leged misconduct, associated or seeking to become  
13 associated” after “any person associated”; and

14 (3) in subsection (c)(2)(B), by inserting “,  
15 seeking to become associated, or, at the time of the  
16 alleged misconduct, associated or seeking to become  
17 associated” after “any person associated”.

18 (c) PERSON ASSOCIATED WITH A MEMBER OF A NA-  
19 TIONAL SECURITIES EXCHANGE OR REGISTERED SECURI-  
20 TIES ASSOCIATION.—Section 21(a)(1) of the Securities  
21 Exchange Act of 1934 (15 U.S.C. 78u(a)(1)) is amended  
22 by inserting “, or, as to any act or practice, or omission  
23 to act, while associated with a member, formerly associ-  
24 ated” after “member or a person associated”.

1 (d) PARTICIPANT OF A REGISTERED CLEARING  
 2 AGENCY.—Section 21(a)(1) of the Securities Exchange  
 3 Act of 1934 (15 U.S.C. 78u(a)(1)) is amended by insert-  
 4 ing “or, as to any act or practice, or omission to act, while  
 5 a participant, was a participant,” after “in which such  
 6 person is a participant,”.

7 (e) OFFICER OR DIRECTOR OF A SELF-REGULATORY  
 8 ORGANIZATION.—Section 19(h)(4) of the Securities Ex-  
 9 change Act of 1934 (15 U.S.C. 78s(h)(4)) is amended—  
 10 (1) by striking “any officer or director” and in-  
 11 serting “any person who is, or at the time of the al-  
 12 leged misconduct was, an officer or director”; and  
 13 (2) by striking “such officer or director” and  
 14 inserting “such person”.

15 (f) OFFICER OR DIRECTOR OF AN INVESTMENT COM-  
 16 PANY.—Section 36(a) of the Investment Company Act of  
 17 1940 (15 U.S.C. 80a–35(a)) is amended—  
 18 (1) by striking “a person serving or acting” and  
 19 inserting “a person who is, or at the time of the al-  
 20 leged misconduct was, serving or acting”; and  
 21 (2) by striking “such person so serves or acts”  
 22 and inserting “such person so serves or acts, or at  
 23 the time of the alleged misconduct, so served or  
 24 acted”.